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C O N F I D E N T I A L SECTION 01 OF 03 OTTAWA 001099

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [CA](#)
SUBJECT: MANITOBA: A CANADIAN ELECTION BELLWEATHER?

REF: OTTAWA 833 (GREEN SHIFT CABLE)

¶1. (SBU) Summary: Manitoba voters appear relatively satisfied with the federal and provincial political status quo, including a federal minority government, although the city of Winnipeg will see some hard-fought races in a federal election that could come as early as this fall. Public reaction to the flagship federal Liberal "Green Shift" plan is tepid, mirroring divisions among Canadians, and making recent discussions with Manitoba political contacts across the political spectrum especially useful with respect to questions of election timing and national issues. End summary

A MIX OF PARTIES

¶2. (U) Manitoba is a paradox. It is a conservative province that has elected a majority center-left New Democratic Party (NDP) provincial government since 1999, and elects representatives from all three major parties at both the federal and provincial levels. Voters in Manitoba tend to be pragmatic and cautious, eschewing ideology for practical politics. Manitoba has 14 federal seats, of which 8 are held by the Conservatives, 3 by the Liberals and 3 by the New Democratic Party (NDP). The Liberals and the NDP are confined to the city of Winnipeg (which accounts for 60 percent of the province's population) with the exception of the northern riding of Churchill held by Liberal MP Tina Keeper. Provincially, the governing center-left New Democratic Party under Premier Gary Doer is in its third successive majority term with the next election expected in June 2011 under proposed fixed-date election legislation. The NDP holds 36 seats in the provincial legislature, the Conservatives 19, and the Liberals 2 seats. Significant ideological differences and wedge issues, such as the environment, crime and health care, separate the parties at the federal level, but these differences are more nuanced at the provincial level, where all parties are fighting for the center.

CRIME AND THE ECONOMY TOP THE WORRY LIST

¶3. (SBU) This year Winnipeg became the unofficial murder capital of Canada. Representatives of all political parties agreed that crime--particularly violent and gang-related crime in downtown Winnipeg--is the province's primary political issue. Auto and property theft are also major social problems. Federal Conservatives have made the justice issue their own, and local Winnipeg Conservative MPs emphasized that their offices had received very positive feedback from the community on their government's anti-crime program. In February, the Harper government passed its Tackling Violent Crime Act, aimed at cracking down on guns, gangs and violent crime, and in the spring introduced new bills to deter auto and property theft (announced by PM Harper in Winnipeg). Harper was back in Winnipeg on August 6 to hold a round-table with parents and community leaders on youth and drugs and to trumpet his new national anti-drug strategy. Representatives of all parties also agreed that Manitoba voters are concerned with the economy. With no

fossil-fuel resources of its own, and dependent on federal transfers for almost 40 percent of its revenues, Manitoba has not shared in the resource boom in Alberta and Saskatchewan and its largely agricultural and manufacturing economy is oriented east to Ontario rather than west to its resource-rich neighbors. Health care wait-times are also a major issue, although this is more a preoccupation at the provincial level.

LIBERAL GREEN SHIFT: A PLAN FOR SOMEWHERE ELSE?

14. (C) In contrast, climate-change -- and specifically the "Green Shift", the federal Liberals' signature policy (see Q"Green Shift", the federal Liberals' signature policy (see Ref) -- does not resonate in Manitoba. Anecdotally, public opinion on Green Shift appears evenly divided, but privately Liberal insiders at both the federal and provincial level say that support is "lukewarm at best" and that the Conservatives have been effective in branding the Green Shift as "wanting to tax our eyeballs out." A senior Liberal official close to federal Liberal leader Stephane Dion confirmed that voters need more time to understand the policy, and are skeptical that they will receive offsetting income tax cuts. Unlike the hostility that the Green Shift has produced in Alberta and Saskatchewan, Manitobans appear merely indifferent. Manitoba generates 98 percent of its power through hydroelectricity and exports the surplus, mostly to Ontario and the United States. As a clean source of energy, Manitoba's hydro would not be subject to a carbon tax and its hydro exports would become more competitive. Gasoline would also be exempt, although natural gas for home heating and diesel would cost more.

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5 (C) Many Manitoba commentators told us that the Green Shift appeared to be designed for Ontario (especially Toronto) and for Quebec, rather than for the prairies. Popular Premier Gary Doer, who styles himself as a "Green Premier," has not endorsed the Green Shift, preferring a cap and trade approach. His focus on local environmental issues has also resonated with voters who identify potable water (especially in rural and aboriginal communities), recreational water quality in Lake Winnipeg, and the commercial inland fishery as more relevant environmental concerns.

CONTENT WITH MINORITY GOVERNMENT

16. (C) Federal Liberal leader Dion is not well known in the province, according to Manitoba Liberal insiders. Although party members have fallen in behind the leader, a senior Liberal noted that Dion was not among the top three picks of local Liberals for leader in 2006. Many told us privately that they worried he is too distant, too cerebral, and "too Quebec" to connect with Manitoba voters. Although they argued that voters have not warmed to Conservative PM Stephen Harper, one Liberal admitted that even Liberal supporters agree that the Conservatives have run a competent government and have done what they promised. Analysts stated that Manitobans appear comfortable with continued minority federal government, sensing, as one senior NDP strategist noted, that "giving one player all the cards is not smart right now," but the race for federal seats in the next election will still be competitive.

17. (C) We found a uniformity of opinion that the Conservatives will hold the rural areas of the province and the NDP will likely retain its three seats in Winnipeg. Several contacts said that the Liberals are on the defensive in their two seats in Winnipeg and one in northern Manitoba. Liberal strategists insisted that Liberal incumbents Anita Neville (Winnipeg South Centre) and Ray Simard (Saint Boniface) are well connected in their communities and would be re-elected, although they will need to be "aggressive." The Conservatives have targeted Neville's suburban seat and are running Trevor Kennard, a well-known former professional

football player with the Winnipeg Blue Bombers, against her. In August, PM Harper held his anti-drug round-table in Simard's Saint Boniface riding. In northern Manitoba, Liberal Tina Keeper took her Churchill riding from the NDP in the 2006 election when two NDP candidates split the vote, but her prospects against a united NDP in the next election are uncertain.

A FALL FEDERAL ELECTION?

¶8. (SBU) Prospects for a fall federal election are unclear. Federal Conservative contacts said they are ready for a campaign, but believe that Dion's willingness to trigger one will depend on his party's performance in three federal by-elections in Quebec and Ontario on September 8. Liberal contacts confirmed a "high probability" of a fall campaign, less because the timing is right, and more because the federal Liberal caucus cannot continue to abstain on major policy votes in the House of Commons. However, one senior Liberal confided that the "window" for an election is small, and that if Mr. Dion were to trigger an election, he would try to time the election call for early-mid October, which in turn would mean a polling day by the end of November. The contact admitted that the prospect of an election overlap with the U.S. election was not ideal, but held out the hope that the Liberals could profit from an "Obamawave" spilling over into Canada. At the working level, Liberal staffers complained that they are burning out with election fatigue and just want to get the campaign over with. A federal Conservative agreed that early October is the most likely time for Dion to trigger an election, if he decides to risk one.

STABILITY AT HOME

¶9. (SBU) In contrast to the clear policy distinctions between federal parties, differences between Manitoba provincial parties are more subtle, largely due to NDP Premier Gary Doer's ability to straddle the center and starve the opposition parties -- particularly the Liberals -- of oxygen.

After nine years in office, Doer enjoys an 80 percent approval rating. Doer has run a competent, scandal-free government and set local, practical objectives. A senior NDP strategist summed up Doer's winning formula as being "an ordinary guy," but "just that bit more presentable, and a bit smarter" than his neighbors. In comparison, several contacts across the political spectrum said his provincial Conservative and Liberal counterparts seem lacking in charisma and not yet ready for "prime time." The premier's supporters and opponents agree that there will be no substantive change in provincial politics until he leaves office. The federal NDP will continue to benefit indirectly

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from Doer's high approval ratings, although the federal and Manitoba NDP do not always see eye to eye on policy, especially in regard to deficit spending and the economy. The provincial NDP is distinctly more pragmatic than its federal cousin.

¶10. (U) Manitoba will host two significant federal political events in the fall. The Liberal caucus will hold its annual summer retreat in Winnipeg from September 2 to 4 to brief leader Stephane Dion on public reaction to his Green Shift Plan, and to plot strategy for the return of Parliament on September 15. The Conservative Party will also hold its biennial policy conference in Winnipeg from November 13 to 15, the first since it took office in February 2006.

COMMENT

¶11. (C) National polls continue to show the federal and Conservative parties statistically tied at between 30 and 34 percent, indicating that the Liberals' Green Shift Plan has

not made an impact since its release in June. Our contacts in Manitoba suggest that voters have little enthusiasm for a fall election, and that election preparedness is being driven more by internal partisan dynamics than by political momentum or issues. However, the minority Harper government's focus on a narrow set of practical priorities, particularly crime, has been an effective strategy in establishing a record of governance and stability. Manitoba voters appear comfortable with the status quo, suspicious of so-called "Big Vision" policies such as Green Shift, and anxious about the economy and their pocket books. If those sentiments are more widely held across the country, the incumbent Conservatives appear well-positioned for a fall election. End comment

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